

## **BILL ANALYSIS**

S.B. 545  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

According to interested parties, property owners currently pay property taxes on property leased to charter schools, while property leased to public and private schools is exempt from such taxation. The parties suggest that this leads to inequity between schools and that, without the tax burden, property owners could pass savings on to charter schools for investment in classroom instruction and additional resources. S.B. 545 seeks to provide for the exemption from property taxation of real property leased to and used by certain schools.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 545 amends the Tax Code to entitle a person to a property tax exemption on real property that the person owns and leases to certain qualified open-enrollment charter schools if the real property is used exclusively by the school for educational functions; the real property is reasonably necessary for the operation of the school; the owner certifies by affidavit to the school that the rent for the lease of the real property will be reduced by an amount equal to the amount by which the taxes on the property are reduced as a result of the exemption; the owner provides the school with a disclosure document stating the amount by which the taxes on the real property are reduced as a result of the exemption and the method the owner will implement to ensure that the rent charged for the lease of the property fully reflects that reduction; and the rent charged for the lease of the real property reflects the reduction in the amount of taxes on the property resulting from the exemption through a monthly or annual credit against the rent.

### **EFFECTIVE DATE**

January 1, 2016, if the constitutional amendment authorizing the legislature to exempt from property taxation real property leased to certain schools organized and operated primarily for the purpose of engaging in educational functions is approved by the voters.